

PROJECT PROFILE

CASH REFUNDS: \$3,575,000

RETAIL HOME CENTER

Engagement Overview:

RSH was engaged by a publicly held home improvement company to conduct incentives negotiations at a prospective location in the South Central Region of the United States. The company engaged The RSH Group to conduct an analysis of each prospective location to determine if the site fell within a special employment or investment zone (state, local, or federal) and to better understand available incentives to offset construction costs and lower on-going operating costs.



Property Overview:

The typical Home Center is a large format retail facility of 121,000 sq. ft. plus a 30,000 sq. ft. garden center. The company typically employs 125 personnel at wages above the typical retailer. In addition, the company offers benefits and profit sharing. Average investment in this type of Home Center is in the \$10 to \$15 million range and typical sales average \$30 to \$50 million per year.

Incentives Negotiation Process:

The RSH Group deployed its local representative in the area to conduct an evaluation of available incentives programs. The consultant met with state and local officials to determine what programs might be best suited to this project and how to best qualify the project to avail itself of these benefits. One key factor was the fact that the consultant had long, deep knowledge about economic development in the project area and is quite familiar with state and local officials. Working extensively with the company's real estate personnel, The RSH Group consultants prepared an analysis of the benefits available at this site. Working Thi RSH Group's incentives estimates were incorporated into the company's financial analysis of this site and forwarded to the company's CFO for approval. Upon preliminary approval of the site, The RSH Group worked with state and local officials as well as company real estate personnel to negotiate and finalize incentives offers and to obtain binding commitments from state and local authorities prior to finalizing real estate negotiations. RSH Group personnel continued to work with company real estate and tax personnel to ensure that all necessary processes were in place to gather necessary compliance information and to claim negotiated benefits.

Results:

The RSH Group work resulted in the award of over \$3.5 million in state and local benefits including:

Cooperative Endeavor Agreement	\$ 3,000,000
State Enterprise Zone Tax Rebate	\$ 575,000
 Total	 \$ 3,575,000